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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 004723

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E.O. 12958: DECL: 09/25/2017 TAGS: <u>PGOV PREL ECON RS IQ</u>

SUBJECT: READOUT OF ZEBARI VISIT: STRONGER ECONOMIC TIES,

DEBT RELIEF ON THE HORIZON

REF: A. MOSCOW 4490 <u>¶</u>B. MOSCOW 4305

Classified By: CDA Daniel A. Russell for reasons 1.4 (b/d).

11. (C) Summary: MFA Middle East and North Africa Department Deputy Director Aleksandr Kinshchak characterized Iraqi Foreign Minister Zebari's September 18-21 visit to Moscow as "successful." Kinshchak, who took part in the meetings, told us that Zebari gave Foreign Minister Lavrov a positive but realistic assessment of the political situation in Iraq, suggested that Coalition efforts in the Anbar Province could be used as a "model" for other Sunni strongholds, discussed the likelihood of "one last extension" of the UNSC mandate for the MNF, and promoted Iraq's proposal to create a permanent secretariat to coordinate international efforts. Kinshchak said Russia was "very pleased" that Zebari agreed to convene a meeting of the Intergovernmental Commission before the end of the year and to sign an MOU on trade and economic cooperation. Zebari got the message that the signing of the MOU would go hand in hand with the signing of the agreement on debt relief to Iraq. End summary.

Zebari Says Political Situation "Slowly Improving"

12. (C) MFA Middle East and North Africa Department Deputy Director Aleksandr Kinshchak told us on September 25 that Iraqi FM Zebari held "successful and productive" meetings with FM Lavrov and Industry and Energy Minister Khristenko on September 21 (ref A). Kinshchak, who sat in the meetings with Lavrov and Khristenko, said that Zebari was cautiously optimistic about the general trends in Iraq, noting that the political situation was "slowly improving." Zebari pointed to the situation in Anbar Province, where Coalition Forces and the Iraqi Government are successfully working with local Sunnis to limit sectarian violence, as a possible "model" that could be replicated in Mosul, Tikrit and other cities where there is a significant Sunni population. Zebari noted, however, that the fundamental problem with this model is that by supplying Sunni sheiks with arms, Shiites are increasingly worried that the Coalition may be "switching sides." asked to what extent al-Maliki was concerned about the rift in his cabinet, Zebari responded that such developments are a "normal part of the democratic process" and added that al-Maliki told those who left his cabinet that time is running out on their return to the government, as they "risk being replaced."

Extension of UNSC Mandate for MNF Likely

13. (C) When Lavrov asked about Iraq's plan to seek an extension of the UNSC mandate for Coalition Forces, Zebari said the subject is still under consideration. However,

Zebari predicted the GOI would move to seek one last one-year extension, provided that the U.S. and Iraq sign a "bilateral status of forces agreement" in the near future. According to Kinshchak, Lavrov and Zebari did not spend much time discussing the Petraeus/Crocker report or the drawdown of Coalition Forces. Stressing that this is an issue between the U.S. and Iraq, Lavrov only reiterated for Zebari the Russian view that the U.S. needs to create a "real" timetable for withdrawing troops (ref B). He argued that a timetable would decrease violence by signaling to extremists that the U.S. had no intention of staying in Iraq and would force the Iraqi government to tackle more quickly the myriad political and economic challenges facing the country.

## "Internationalization" of Iraq on Track

 $\P4.$  (C) Lavrov and Zebari agreed that the October 31 -November 1 Expanded Neighbors Ministerial in Istanbul would further internationalize support for the Iraqi government, which both recognized as the correct approach to stabilizing the county. Lavrov told Zebari that Russia strongly supports a collective approach to Iraq and not one in which country thrusts its solution upon the international community." Zebari promoted Iraq's proposal to create a permanent secretariat in Baghdad to coordinate international efforts. Kinshchak said Lavrov supported the proposal, but cautioned that Arab countries that do not have embassies in Baghdad would be opposed to the location. On the composition of the secretariat, Lavrov acknowledged the contribution of many countries and institutions but suggested that Iraq keep the secretariat a compact organization. Zebari admitted that the Iraqi government had not fully thought through the makeup of the secretariat but opined that Iran, Syria, and Russia

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should be asked to take part.

Stronger Economic Ties, Debt Relief on the Horizon

- 15. (C) In separate meetings with Zebari, Lavrov and Industry and Energy Minister Khristenko spoke at length about improving economic ties and addressing Russia's pending oil contracts. Kinshchak said Russia was very pleased to hear from Zebari Iraq's willingness to convene a meeting of the Russia-Iraq Intergovernmental Commission on trade and economic cooperation in December in Moscow. Russia was also pleasantly surprised that Zebari agreed to sign an MOU on trade and economic cooperation, which Khristenko stressed was exactly the sort of stimulus Russia needed to complete the agreement on debt relief to Iraq. Kinshchak also said Zebari met with Lukoil President Alekperov, but Kinshchak was not present and could not provide details, nor could he confirm press reports that Zebari had invited Alekperov to Baghdad.
- 16. (C) In response to questions from Lavrov and Khristenko, Zebari doubted that the Iraqi Parliament would pass before the end of the year legislation on de-Baathification reform, local elections, constitutional reform, and the organization of the oil industry. However, Zebari noted that the Iraqi Government considers the oil law a priority and expressed confidence that the bill would be adopted by the end of the year. Russell